



Palladon Iron Corporation ■ Iron Bull Mining & Milling
554 South 300 East, Suite 250
Salt Lake City, UT 84111

*Incoming 0003
M/021/008*

*cc: Tom
Susan*

Task ID# 2438

May 29, 2008

Ms. Susan White
Division of Oil, Gas, and Mining
1594 W. North Temple
Salt Lake City, UT 84116

RECEIVED
MAY 30 2008
DIV. OF OIL, GAS & MINING

RE: M/021/008: Reactivation of existing permitted iron mine on Iron Mountain, Iron County, Utah, by Palladon Iron Corp.

Dear Ms. White:

This cover letter accompanies the Amendment application to the approved Notice of Intention (NOI) for Palladon Iron Corporation's (Palladon) Iron Mountain Mine, file M/021/008, located in Iron County, Utah. Palladon assumed responsibility for this mine from Geneva Steel Corporation on April 18, 2005. Palladon intends to resume mining in the very near future. Pertinent information regarding start-up of operations was discussed in a meeting on May 5, 2008 at your offices with yourself, Dana Dean and Tom Munson of DOGM; Matt Florence and myself from Palladon; and Bill Fuller of JBR Environmental. During a subsequent conversation with you on May 13, 2008 it was agreed that none of the text in the approved NOI would be modified specifically to reflect the ownership transfer from Geneva to Palladon. However, where updated information was required to clarify topsoil salvage plans, mining acreage, surety calculations, etc. pages have been updated. All revised pages are attached and indexed on the attached Amendment Form.

Essentially, Palladon will conduct mining and processing operations for the first two years (2008 to 2010) under the conditions, variances, and approvals granted under the Geneva NOI. The Comstock and Mountain Lion pits, located on the east side of the bonded area, will be activated and run-of-mine ore will be crushed at the facilities area just to the east of these pits using equipment listed in Appendix H. Crushed ore will then be shipped off-site by rail for further processing. Estimated volume to be mined and crushed during the first two years is 2,200,000 tons/year. After the first two years, crushed ore production will increase to approximately 4,400,000 ton/year.

The bonded area for the Palladon operation will increase by 41 acres over the next five years on the south side of the Comstock Waste Dump (CWD), located south of the lean ore stockpile, to allow extension of the waste rock disposal area. Newly dumped materials will be very similar in size and physical characteristics to those contained in the existing CWD. The new material will be dumped from the top of the existing dump edge by rear-dump haul trucks. The dump extension will be constructed to the same configuration as the existing CWD. This dump has been in place for 12 to 15 years or

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more with no indication of slippage, failure or erosion, indicating that the configuration is stable. Further details about this amendment to the mine and reclamation plan are contained in revised Appendix F pages, and Section 10.

Palladon plans to process iron ore on site beginning approximately 2010. Prior to commencing this proposed activity, Palladon will obtain the required permits from DOGM and DWQ. It is understood that this future revision package will include an update of the entire NOI.

The current submittal consists of the following items:

1. This cover letter (RE: M/021/008: Reactivation of existing permitted iron mine on Iron Mountain, Iron County, Utah, by Palladon Iron Corp.)
2. Amendment form – MR-REV-ATT:DOGM – Revise/Amend Change Form
3. An updated Table of Contents (page ii), drawing Index (page iv), and appendices page (page v).
4. A new page, page 0, that states that all references to Geneva Steel in the NOI text, figures, and tables are to be read as Palladon Iron Corp.
5. Map IM-0100-3, sheet 6 of 6 – Five year mine and reclamation plan map showing the proposed mining area, the lean ore stockpile that will be “re-mined” and the extension to the south dump. The map also shows pit boundaries, dump slopes, dump toes, and access roads within the mine
6. Map IM-0100-3f, sheet 6 of 6 – Five year mine/reclamation plan map with lands added to the bonded area at the south dump extension shown in green. This area is 44.62 acres in size. Because 3.61 acres of land to the north of this will be removed from bond, the net increase in acreage is 41.01 acres.

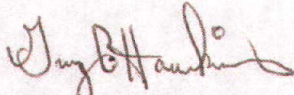
This map also shows pre-act disturbed lands, pre-act redisturbed lands (that require reclamation), and post-act disturbed lands (that require reclamation).
7. Map IM-0100-10 – Property Map showing land ownership within and adjacent to the bonded area (fee – no fee lands). *PALLADON RESPECTFULLY REQUESTS THAT THIS MAP BE KEPT CONFIDENTIAL.*
8. Map 0100-12 – Overview of Bonded Area, which shows the bonded area in relation to physical topography, drainages, and section corners. Four recent sample drill hole locations are shown near the facilities area.
9. Map IM-Load out – This map shows the facilities area and the location and size of previous buildings that have been removed, as well as new buildings and facilities that have been constructed. A reclamation credit has been taken for the demolished buildings, as shown in the reclamation surety calculations, included in Appendix A.
10. Appendix A – Palladon Iron surety increase calculations 5/28/08.
11. Appendix H - Equipment list itemizing the equipment that will be utilized.
12. Revised text pages as noted on the attached Amendment Form.

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If requested, Palladon can submit exact copies of all other maps on file with DOGM with the sole change being a new Palladon title block. However, to streamline this submittal these maps have NOT been resubmitted with this letter.

Please feel free to contact us with any questions or concerns, as Palladon desires to resume operations on approximately August 1, 2008. Thank you very much for your consideration.

Sincerely,



Greg G. Hawkins
Director of Operations

encl: Updated pages, maps, DOGM Amendment form

xc: Linda Matthews, Bill Fuller, Marit Sawyer – JBR Consultants – w/ 1 set of
enclosures

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Application for Mineral Mine Plan Revision or Amendment

Operator:

Palladon Iron Corp.

Mine Name:

Comstock and Mountain Lion Pits

File Number: M/ 021/008

Provide a detailed listing of all changes to the mining and reclamation plan that will be required as a result of this change. Individually list all maps and drawings that are to be added, replaced, or removed from the plan. Include changes of the table of contents, section of the plan, pages, or other information as needed to specifically locate, identify and revise or amend the existing Mining and Reclamation Plan. Include page, section and drawing numbers as part of the description.

DETAILED SCHEDULE OF CHANGES TO THE MINING AND RECLAMATION PLAN DESCRIPTION OF MAP, TEXT, OR MATERIALS TO BE CHANGED

<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page iv, Drawing Index (Continued)
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page v, Appendices
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page 0, Mining and Reclamation Program ... "All references to Geneva Steel in the following Notice of Intent text, drawings and appendices"
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page 37: "Variances: 1. Some haul roads (Crystal Springs access road)"
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page 37a: "b. Revegetation: The Comstock Dump Extension will be ripped and broadcast seeded on the"
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Page 41: "equipment of facilities on site for areas covered by this application. All trash and debris are disposed"
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix A: Page A-1a "Palladon Iron Surety Increase Calculation – 5/30/08": insert directly behind Appendix A, page 1.
<input type="checkbox"/> Add	<input type="checkbox"/> Replace	<input checked="" type="checkbox"/> Remove	Existing Appendix F (1 page)
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	New Appendix F (3 pages: "Slope Stability Analysis ...", "There is no indication of slippage, failure, or erosion.", aerial photo of mine dumps)
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix F, Figure 2.pdf
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Appendix H, "Comstock Mining Equipment". 2 pages: title page and a 1-page equipment list
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map IM-0100-3, sheet 6 of 6 – replace existing map with new map
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map IM-0100-3f, sheet 6 of 6 – replace existing map with new map
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map IM-0100-10, Property Map – replace existing map with new map
<input checked="" type="checkbox"/> Add	<input type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map 0100-12 – Overview of bonded area – new map
<input type="checkbox"/> Add	<input checked="" type="checkbox"/> Replace	<input type="checkbox"/> Remove	Map IM-Load out – replace existing map

I hereby certify that I am a responsible official of the applicant and that the information contained in this application is true and correct to the best of my information and belief in all respects with the laws of Utah in reference to commitments and obligations, herein.

Greg Hawkins

Print Name

Greg J. Hawkins, Director of Operations

Sign Name, Position

5/29/08

Date

Return to:

State of Utah

Department of Natural Resources

Division of Oil, Gas and Mining

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

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FOR DOGM USE ONLY:

File #: M/ /

Approved:

Bond Adjustment: from (\$)

to \$

Phone: (801) 538-5291 Fax: (801) 359-3940

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MAY 30 2008
DIV. OF OIL, GAS & MINING